

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03720A
Water Utility of Northern Scottsdale, Inc.
c/o Global Water
21410 N 19th Ave. Ste. 201
Phoenix, AZ 85027

RECEIVED
APR 19 2011
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

ANN 04	10
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4-20-11

4-20-11

COMPANY INFORMATION

Company Name (Business Name) <u>Water Utility of Northern Scottsdale, Inc.</u>		
Mailing Address <u>21410 N. 19th Ave., Ste. 201</u>		
<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
(City)	(State)	(Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>	<u>NA</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>graham.symmonds@gwresources.com</u>		
Local Office Mailing Address <u>Same as above</u>		
(Street)		
<u></u>	<u></u>	<u></u>
(City)	(State)	(Zip)
<u></u>	<u></u>	<u></u>
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u></u>		

MANAGEMENT INFORMATION

<input type="checkbox"/> Regulatory Contact: <u>Graham Symmonds</u>			
<input type="checkbox"/> Management Contact: <u>Graham Symmonds</u> <u>CTO & SVP Regulatory Affairs & Compliance</u>			
(Name)		(Title)	
<u>21410 N. 19th Ave. Ste. 210</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
(Street)	(City)	(State)	(Zip)
<u>623-580-9600</u>	<u>623-580-9659</u>	<u>602-615-4532</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>graham.symmonds@gwresources.com</u>			
On Site Manager: <u>Ron Fleming, General Manager, Arizona</u>			
(Name)			
<u>201 East Coronado Street</u>	<u>Buckeye</u>	<u>AZ</u>	<u>85326</u>
(Street)	(City)	(State)	(Zip)
<u>623-386-4252</u>	<u>623-386-6638</u>	<u>602-550-2717</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>ron.fleming@gwresources.com</u>			

Statutory Agent: <u>Andrew Abraham, Burch & Cracchiolo, PLC</u>			
(Name)			
<u>702 East Osborn, Ste. 200</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85014</u>
(Street)	(City)	(State)	(Zip)
<u>602-274-7611</u>	<u>602-234-0341</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Timothy J. Sabo, Roshka DeWulf & Patten, PLC</u>			
(Name)			
<u>400 E Van Buren, Ste. 800</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85004</u>
(Street)	(City)	(State)	(Zip)
<u>602-256-6100</u>	<u>602-256-6800</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>tsabo@rdp-law.com</u>			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co-op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Describe) _____	

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input checked="" type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	0	0	0
302	Franchises	0	0	0
303	Land and Land Rights	28,647	0	28,647
304	Structures and Improvements	20,000	(4,330)	15,670
307	Wells and Springs	130,000	(28,138)	101,862
309	Supply Mains	0	0	0
310	Power Generation Equipment	0	0	0
311	Pumping Equipment	216,158	(161,416)	54,742
320	Water Treatment Equipment	377	(31)	346
330	Distribution Reservoirs and Standpipes	182,972	(26,419)	156,553
331	Transmission and Distribution Mains	1,155,497	(113,788)	1,041,709
333	Services	60,047	(9,815)	50,232
334	Meters and Meter Installations	11,303	(4,877)	6,426
335	Hydrants	108,312	(10,630)	97,682
336	Backflow Prevention Devices	775	(206)	569
339	Other Plant and Misc. Equipment	2,390	(558)	1,832
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	515	(65)	450
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
390	Office Furniture & Equipment	0	0	0
	TOTALS	\$ 1,916,993	(\$ 360,273)	\$ 1,556,720

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	0	0%	0
302	Franchises	0	0%	0
303	Land and Land Rights	28,647	0%	0
304	Structures and Improvements	20,000	3%	665
307	Wells and Springs	130,000	3%	4,329
309	Supply Mains	0	2%	0
310	Power Generation Equipment	0	5%	0
311	Pumping Equipment	216,158	13%	26,964
320	Water Treatment Equipment	377	3%	13
330	Distribution Reservoirs and Standpipes	182,972	2%	4,066
331	Transmission and Distribution Mains	1,155,497	2%	23,110
333	Services	60,047	3%	2,001
334	Meters and Meter Installations	11,303	8%	942
335	Hydrants	108,312	2%	2,166
336	Backflow Prevention Devices	775	7%	52
339	Other Plant and Misc. Equipment	2,390	7%	159
340	Office Furniture and Equipment	0	7%, 14% or 20%	0
341	Transportation Equipment	0	20%	0
343	Tools, Shop and Garage Equipment	515	5%	26
344	Laboratory Equipment	0	10%	0
345	Power Operated Equipment	0	5%	0
346	Communication Equipment	0	10% or 20%	0
347	Miscellaneous Equipment	0	10%	0
348	Other Tangible Plant	0	10%	0
390	Office Furniture & Equipment	0	3%	0
	TOTALS	\$ 1,916,993		\$ 64,493

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash and cash equivalents	\$ 0	\$ 0
132	Special Deposits	0	0
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	3,144	13,087
143	Accumulated Provision for Uncollectible Accounts	(807)	(2,220)
151	Plant Material and Supplies	0	0
162	Prepayments	427	1,775
174	Miscellaneous Current and Accrued Assets	8,351	1,355
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 11,115	\$ 13,997
	FIXED ASSETS		
101	Utility plant in service (All)	\$ 1,916,993	\$ 1,916,993
103	Property Held for Future Use	0	0
105	Construction Work-in-Progress	4,070	(5,958)
108	Accumulated Depreciation - Utility Plant	(295,779)	(360,273)
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 1,625,284	\$ 1,550,762
	OTHER ASSETS		
114	Utility Plant Acquisition Adjustments	\$ 0	\$ 0
181	Unamortized Debt Discount & Expense	0	0
190	Accumulated Deferred Income Taxes	13,690	114,861
	TOTAL OTHER ASSETS	\$ 13,690	\$ 114,861
	TOTAL ASSETS	\$ 1,650,089	\$ 1,679,620

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts payable	\$ 12,987	\$ 10,145
232	Notes Payable (Current Portion)	0	0
235	Customer Deposits	6,560	8,160
236	Accrued Taxes	1,277	1,583
237	Accrued Interest	193	427
241	Miscellaneous Current and Accrued Liabilities	1,394	7,073
253	Other Deferred Credits	1,282	946
	TOTAL CURRENT LIABILITIES	\$ 23,693	\$ 28,334
	LONG-TERM DEBT (Over 12 Months)		
224	Other Long-Term Debt	\$ 0	\$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	1,844,573	1,831,984
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Taxes	0	1,255
	TOTAL DEFERRED CREDITS	\$ 1,844,573	\$ 1,833,239
	TOTAL LIABILITIES	\$ 1,868,266	\$ 1,861,573
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	(191,828)	(265,614)
215	Retained Earnings	(26,349)	83,661
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	(\$ 218,177)	(\$ 181,953)
	TOTAL LIABILITIES AND CAPITAL	\$1,650,089	\$1,679,620

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 131,333	\$ 133,499
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	2,510	1,649
	TOTAL REVENUES	\$ 133,843	\$ 135,148
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 18,295	\$ 32,349
610	Purchased Water	0	0
615	Purchased Power	9,190	9,655
618	Chemicals	579	1,416
620	Repairs and Maintenance	198	1,007
621	Office Supplies and Expense	1,885	1,374
630	Outside Services	175	3,147
635	Water Testing	3,778	1,658
641	Rents	956	0
650	Transportation Expenses	562	1,153
657	Insurance – General Liability	382	348
659	Insurance - Health and Life	345	572
666	Regulatory Commission Expense – Rate Case	2,008	0
675	Miscellaneous Expense	1,966	3,648
403	Depreciation Expense	64,414	64,493
408	Taxes Other Than Income	272	283
408.11	Property Taxes	2,522	3,625
409	Income Tax	10,102	(99,916)
	TOTAL OPERATING EXPENSES	\$ 117,629	\$ 24,812
	OPERATING INCOME/(LOSS)	\$ 16,214	\$ 110,336
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(158)	(326)
	TOTAL OTHER INCOME/(EXPENSE)	(\$ 158)	(\$ 326)
	NET INCOME/(LOSS)	\$ 16,056	\$ 110,010

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	<div>\$ 8,160</div>
Meter Deposits Refunded During the Test Year	<div>\$ 3,182</div>

COMPANY NAME: Water Utility of North Scottsdale	
Name of System: Granite Mountain	ADEQ Public Water System Number: AZ-04-07-179

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-565172 Granite Mountain #1		80	1,000	6	3"	1997
55-583777 Rio Mountain		80	970	6	4"	2001
55-586186 Granite Mountain #2		80	1,000	8	3"	2001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (GPM)	Gallons Purchased or Obtained (In Thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
100	1	55	
25	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
250,000 GAL	1	5,000 GAL	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Water Utility of North Scottsdale	
Name of System: Granite Mountain	ADEQ Public Water System Number: AZ-04-07-179

MAINS

Size (in Inches)	Material	Length (in Feet)
6	PVC	129
8	PVC	15,418
10	PVC	9,752
12	PVC	6,810
16	PVC	70
6	UNK	46
8	UNK	8,137
10	UNK	7,051

CUSTOMER METERS

Size (in inches)	Quantity
1 1/2"	5
1"	70
2"	1

- ABS = Acrylonitrile-Butadiene-Styrene

AC = Asbestos Cement

ACP = Asbestos Concrete Pipe

ASWP = American Spiral Weld Pipe

CU = Copper

DIP = Ductile Iron Pipe

DIP150 = 150# Ductile Iron Pipe

=
- GALV = Galvanized Steel Pipe

PVC = Polyvinyl Chloride

PVCCL1 = PVC 900 CL 150

PVCCL2 = PVC 900 CL 200

PVCNP = PVC - Not Purple

SDRCL1 = PVC SDR 26 CL 160

STEEL = Steel

UNK = Unknown

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:
Chlorination System at each well

STRUCTURES:
Block Wall fences around facility
8' x 8' Storage Sheds

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE	
Name of System: Granite Mountain	ADEQ Public Water System Number: AZ04-07-179

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	71	1,674	737	
FEBRUARY	71	467	607	
MARCH	71	599	556	
APRIL	70	761	1,169	
MAY	71	923	1,168	
JUNE	72	1,076	1,649	
JULY	72	1,637	1,506	
AUGUST	70	2,518	1,546	
SEPTEMBER	70	1,156	1,279	
OCTOBER	71	1,398	1,120	
NOVEMBER	71	1,085	1,315	
DECEMBER	70	990	893	
TOTALS →		14,284	13,545	

What is the level of arsenic for each well on your system? < 0.010 mg/l
(If more than one well, please list each separately.)

ADWR #55-599204 Granite Mtn #1 ADWR #55-586186 Granite Mtn #2

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
(X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount:_____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE	
Name of System: Granite Mountain	ADEQ Public Water System Number: AZ04-07-179

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY		0	3	
FEBRUARY		0	0	
MARCH		0	0	
APRIL		0	1	
MAY		0	0	
JUNE		0	0	
JULY		0	0	
AUGUST		0	0	
SEPTEMBER		0	0	
OCTOBER		0	0	
NOVEMBER		0	1	
DECEMBER		0	0	
TOTALS →		0	5	

OTHER (description):

**COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE
YEAR ENDING 12/31/2010**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2010 was: **\$3,319.00**

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED
APR 15 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance
OF THE Water Utility of Northern Scottsdale, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE
ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS,
PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY
EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND
CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE
PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY
MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE,
INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT
AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND
PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

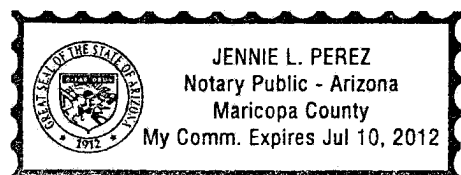
623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ

A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA

THIS 15 DAY OF APRIL, 2011.



MY COMMISSION EXPIRES 7/10/2012



SIGNATURE OF NOTARY PUBLIC

**COMPANY NAME: WATER UTILITY OF NORTHERN SCOTTSDALE
YEAR ENDING 12/31/2010**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$ 54,002</u>
Estimated or Actual Federal Tax Liability	<u>\$ 0</u>
State Taxable Income Reported	<u>\$ 54,002</u>
Estimated or Actual State Tax Liability	<u>\$ 0</u>


Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$ 1,831,984</u>
Amount of Gross-Up Tax Collected	<u>\$ 0</u>
Total Grossed-Up Contributions/Advances	<u>\$ 0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

April 15, 2011

DATE

Graham Symmonds

PRINTED NAME

CTO & SVP Regulatory Affairs and Compliance

TITLE

VERIFICATION AND SWORN STATEMENT
Intrastate Revenues Only

RECEIVED
APR 11 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance
OF THE Water Utility of Northern Scottsdale, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

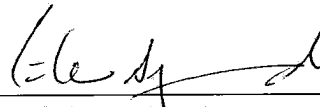
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 144,646

(THE AMOUNT IN BOX ABOVE INCLUDES \$9,584 SALE TAXES, \$0 ACC FEE, and \$0 RUCO FEE BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL

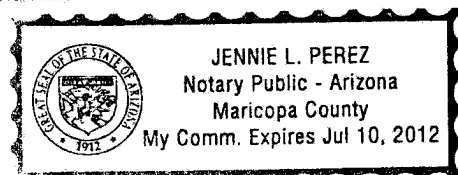
623-580-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ

A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA

THIS 15 DAY OF APRIL, 2011.




SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 7/10/2012

VERIFICATION AND SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only

RECEIVED
APR 15 2011
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF ARIZONA Maricopa

I, THE UNDERSIGNED Graham Symmonds, CTO & SVP Regulatory Affairs & Compliance

OF THE Water Utility of Northern Scottsdale, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 141,680.00

(THE AMOUNT IN BOX AT LEFT INCLUDES \$8,674 SALES TAXES, \$0 ACC FEE, \$0 RUCO FEE BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

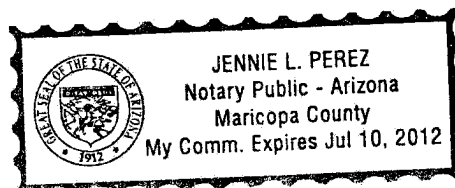
623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME JENNIE L PEREZ

A NOTARY PUBLIC IN AND FOR THE COUNTY OF MARICOPA

THIS 15 DAY OF APRIL, 2011.

MY COMMISSION EXPIRES 7/10/2012




SIGNATURE OF NOTARY PUBLIC